



7710-12

POSTAL SERVICE

39 CFR Part 111

Simplifying Threshold Volume Requirements for USPS Return Services

AGENCY: Postal Service™.

ACTION: Interim rule with request for comments.

SUMMARY: To minimize customer confusion and ensure consistent administration, the Postal Service proposes to change the total annual volume thresholds required for USPS Return Services products to qualify for Commercial Plus® pricing. A minimum volume of 50,000 will be established for these products across the board to simplify the product and make it easier for customers to do business with the Postal Service.

DATES: *Effective date:* The interim rule is effective September 15, 2014.

Comment date: Comments are due on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Mail or deliver written comments to the manager, Product Classification, U.S. Postal Service, 475 L'Enfant Plaza SW, Room 4446, Washington DC 20260-5015. You may inspect and photocopy all written comments at the USPS® Headquarters Library, 475 L'Enfant Plaza SW, 11th Floor N, Washington DC by appointment only between the hours of 9 a.m. and 4 p.m., Monday through Friday, by calling 202-268-2906 in advance. Email comments, containing the name and address of the commenter, may be sent to: ProductClassification@usps.gov, with a subject line of "Threshold Volume for USPS Return Services". Faxed comments are not accepted.

FOR FURTHER INFORMATION CONTACT:

Karen F. Key at 202-268-7492 (karen.f.key@usps.gov); John F. Rosato at 202-268-8597 (john.f.rosato@usps.gov); or Suzanne Newman at 202-695-0550 (suzanne.j.newman@usps.gov).

SUPPLEMENTARY INFORMATION: The Postal Service has determined that it is immediately necessary to simplify its returns shipping options. Currently, there are different annual volume threshold requirements to qualify for Commercial Plus[®] pricing for products under the USPS Return Services umbrella. These products are Priority Mail[®] Return Service, First-Class[™] Package Return[®] Service, and Ground Return Service.

As the requirements now exist, Commercial Plus pricing is available for cumulative Priority Mail Return Service and First-Class Package Return Service volume exceeding a combined total of 25,000 return pieces in the previous calendar year. Additionally, Commercial Plus cubic volume must exceed a combined total of 85,000 pieces returned in approved packaging in the previous calendar year, or cumulative returns and outbound volume must exceed a combined total of 90,000 pieces in the previous calendar year to qualify. Commercial Plus pricing customer commitments may differ depending on the individual signed agreements with USPS. The Postal Service has discovered that these varied and overlapping criteria are confusing to customers, and increasingly difficult to administer. Additionally, this change better aligns with recently adopted changes to the Priority Mail cubic threshold, and to the outbound Priority Mail CPP threshold, of 50,000 pieces.

To provide consistency for customers without signed agreements, the Postal Service proposes to establish a minimum total annual threshold volume requirement of 50,000 for all USPS Return Services products in order to qualify for Commercial Plus pricing. This simplified approach will not affect customers with the 25,000 piece threshold until their agreements expire. At that time, the 50,000 piece threshold will apply unless an extension is requested and approved by the Vice President, Sales.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

The Postal Service adopts the following interim changes to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), which is incorporated by reference in the *Code of Federal Regulations*. See 39 CFR part 111.1. Accordingly, 39 CFR part 111 is amended as follows:

PART 111 — [AMENDED]

1. The authority citation for 39 CFR part 111 continues to read as follows:

Authority: 5 U.S.C. 552(a); 13 U.S.C. 301-307; 18 U.S.C. 1692-1737; 39 U.S.C. 101, 401, 403, 404, 414, 416, 3001-3011, 3201-3219, 3403-3406, 3621, 3622, 3626, 3632, 3633, and 5001.

2. Revise the following sections of *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), as follows:

***Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM)**

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200 Commercial Mail Letters, Cards, Flats, and Parcels

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220 Commercial Mail Priority Mail

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223 Prices and Eligibility

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1.2 Commercial Base Prices

For prices, see Notice 123—*Price List*. The Commercial Base prices are available for:

[Revise the text of 1.2e to read as follows:]

- e. Permit holders using Merchandise Return Service, including Priority Mail Return Service, for mailpieces returned at Priority Mail prices when all requirements are met (505.0).

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1.3 Commercial Plus Prices

1.3.1 Basic Eligibility

[Revise the entire text of 1.3.1 to read as follows:]

For prices, see Notice 123—*Price List*. Commercial Plus prices are available to Priority Mail (including Critical Mail) customers who qualify for Commercial Base prices and whose cumulative account volume exceeds a combined total of 5,000 letter-size and flat-size pieces (including Flat Rate Envelopes, but not the Padded Flat Rate Envelope) or 50,000 total pieces in the previous calendar year (except Priority Mail Open and Distribute) and who have a customer commitment agreement with USPS (New Priority Mail customers see 1.3.2), and are:

- a. Registered end-users of USPS-approved PC Postage products.

- b. Permit imprint customers.
- c. Priority Mail Open and Distribute (PMOD) customers whose account volume exceeds 600 PMOD containers (see 705.18.5.1).
- d. Permit holders using Merchandise Return Service, including USPS Returns, for mailpieces returned at Priority Mail prices, when all requirements are met (505.0).
- e. Customers using USPS-approved IBI postage meters that print the IBI with the appropriate price marking for commercial price items (202.3.3) and electronically transmit transactional data daily to USPS for all mailpieces and mail categories.

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1.5 Commercial Plus Cubic

1.5.1 Commercial Plus Cubic Eligibility

[Revise the entire text of 1.5.1 to read as follows:]

Commercial Plus cubic prices are available to Priority Mail customers whose account volumes exceeded 50,000 pieces in the previous calendar year and have a customer commitment agreement with the USPS. New Priority Mail customers see 1.5.5. Each mailpiece must measure .50 cubic foot or less, weigh 20 pounds or less, and the longest dimension may not exceed 18 inches. Cubic-priced mailpieces may not be rolls or tubes. The Commercial Plus cubic prices are available for:

- a. Registered end-users of USPS-approved PC Postage products.
- b. Permit imprint customers. Customers are required to use the Electronic Verification System (eVS) program or submit an electronic postage statement

with a computerized manifest under 705.2.0. Mailings must contain at least 200 pieces or 50 pounds of mail. Mailpieces are not required to be identical in weight.

c. Permit holders using Merchandise Return Service, including USPS Returns, for parcels returned at Priority Mail prices when all requirements are met (505.0).

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280 Commercial Mail First-Class Package Service

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283 Prices and Eligibility

1.0 Prices and Fees for First-Class Package Service

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[Revise the entire text of 1.3 to read as follows:]

1.3 Commercial Base Prices

Commercial Base prices are available for presorted mailings or the residual portion of a presorted mailing, prepared under 285.4.0, or single-piece mailings, paid by one of the following methods:

- a. Registered end-users of USPS-approved PC Postage products when using a qualifying shipping label, managed by the PC Postage system.
- b. USPS-approved IBI postage meters that electronically transmit transactional data to USPS.
- c. Permit imprint.

- d. Permit holders using Merchandise Return Service, including First-Class Package Return Service, for First-Class Package Service mailpieces being returned, when all applicable requirements are met (505.0).

1.4 Commercial Plus Prices

[Revise the entire text of 1.4 to read as follows:]

First-Class Package Service prices are available for presorted or single-piece mailings, and when customers:

- a. Establish a customer commitment agreement with the Postal Service to mail, or receive, more than 5,000 First-Class Package Service machinable parcels at Commercial Plus prices in a calendar year.
- b. Pay for postage by one of the following methods:
 1. Permit imprint using the Electronic Verification System (eVS) or submit an electronic postage statement with a computerized manifest.
 2. Are registered end-users of USPS-approved PC Postage products when using a qualifying shipping label, managed by the PC Postage system.
 3. Permit holders using Merchandise Return Service, including USPS Returns, for First-Class Package Service mailpieces, when all applicable requirements are met (505.0).

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500 Additional Mailing Services

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505 Return Services

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3.0 Merchandise Return Service

3.1 Prices and Fees

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[Revise the entire text of 3.1.5 to read as follows:]

3.1.5 Priority Mail Commercial Base and Commercial Plus Prices

See Notice 123—*Price List* for applicable prices. Priority Mail Commercial Base and Commercial Plus prices are available to MRS permit holders when the following criteria are met:

- a. Commercial Base prices are available for permit holders using MRS for Priority Mail items (223.1.2) when all MRS requirements for Priority Mail are met.
- b. Commercial Plus prices are available for permit holders using MRS for Priority Mail items who qualify for Commercial Base prices (223.1.2) and whose account volume exceed 50,000 pieces in the previous calendar year or who have a customer commitment agreement with the USPS (223.1.3.2).

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4.0 USPS Return Services

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4.4 Pricing

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[Revise the entire text of 4.4.2 to read as follows:]

4.4.2 Commercial Plus Prices

Eligibility for Commercial Plus prices are available to permit holders who qualify for Commercial Base prices, and at least one of the following:

- a. Have cumulative volumes of Priority Mail Return Service, First-Class Package Return Service, or Ground Return Service exceeding a combined total of 50,000 return pieces in the previous calendar year.
- b. Have cumulative returns and outbound Commercial Plus cubic volume exceeding a combined total of 50,000 pieces returned in approved packaging in the previous calendar year.
- c. Have cumulative returns and outbound volume exceeding a combined total of 50,000 pieces in the previous calendar year.
- d. Have a signed Commercial Plus returns customer commitment agreement with USPS.
- e. Have a signed Commercial Plus Critical Mail commitment agreement with USPS.

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Following the expiration of the comment period, the Postal Service will publish its responses to any adverse comments in a subsequent *Federal Register* notice, together with its determination whether to confirm the interim rule as published, or modify the rule in response to the comments received.

Stanley F. Mires,

Attorney, Federal Requirements.

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